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March 24, 2006

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Securities Act s. 114(2) Takeover Bids - Exemption from the formal take over bid requirements in Part 13 of the Act - An issuer wants to complete a take over bid that meets some, but not all of the conditions set out in s. 98 (1)(e) of the Act required for an exempt take over bid - The offeror is making the bid complying with the law of a jurisdiction that the Commission has not recognized for the purposes of s. 98(1)(e); the target does not maintain a share register, but the offeror believes the number of the target's shareholders in B.C. is de minimis; the bid will satisfy all other conditions required for an exempt take over bid

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, ss. 105-110, and 114(2)

In the Matter of
the Securities Legislation
of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova
Scotia, New Brunswick and Newfoundland and Labrador
(the "Jurisdictions")

and

In the Matter of
the Mutual Reliance Review System for Exemptive Relief Applications

and

In the Matter of Generali Beteiligungs-GmbH
(the "Filer")

MRRS Decision Document

Background

The local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the formal take-over bid requirements contained in the Legislation, including the

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provisions relating to delivery of an offer and take-over bid circular and any notices of change or variation thereto, delivery of a directors' circular and any notices of change or variation thereto, minimum deposit periods and withdrawal rights, take-up of and payment for securities tendered to a take-over bid, disclosure, financing, restrictions upon purchases of securities, identical consideration and collateral benefits (collectively, the "Take-over Bid Requirements") shall not apply to trades made in connection with the proposed offer (the "Offer") by the Filer for the acquisition of up to 15,631,629 shares (the "Available Target Shares") in the capital of AMB Generali Holding AG with registered office in Aachen, Germany (the "Target"), being the number of shares in the capital of the Target not currently held by the Applicant, Assicurazioni Generali S.p.A. (its parent company) and their affiliated companies (the "Requested Relief").

Under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"):

- (a) the Ontario Securities Commission is the principal regulator for this application, and
- (b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 have the same meaning in this decision unless they are defined in this decision.

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer is a limited liability company incorporated under the laws of the Federal Republic of Germany. The Filer is controlled by Assicurazioni Generali S.p.A. of Trieste, Italy. Assicurazioni Generali S.p.A. and its affiliated companies are herein referred to as the "Generali Group".
2. The Filer's registered office is located at Aachen, Germany.
3. The Filer is not a reporting issuer or the equivalent in any of the Jurisdictions. The Filer's securities are not listed or quoted for trading on any Canadian stock exchange or market or anywhere else.
4. The Target is a corporation incorporated under the laws of the Federal Republic of Germany. As with the Filer, the Target is controlled by Assicurazioni Generali S.p.A. of Trieste, Italy. The Target and its affiliated companies are herein referred to as the "Target Group". The Target is the

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management holding company of one of the large primary insurance groups in Germany, managing the German units of the international Generali Group. Since 1997, the Target has been operating as the internal reinsurer of the Target Group and has thus been in charge of the Target Group's treaty reinsurance business and the management of the Target Group's external reinsurance requirements.

5. The Target's registered office is located at Aachen, Germany. The Target is registered in the commercial register of the lower court of Aachen under HRB 93.
6. The Target's issued share capital registered in the commercial register amounts to €137,420,784.64 and is divided into 53,679,994 ordinary bearer shares without par value, each representing a proportionate amount of the share capital of €2.56. The shares of the Target are traded on the official market (*Amtlicher Markt*) of the Frankfurt (Prime Standard), Berlin-Bremen, Düsseldorf, Hamburg and München stock exchanges, as well as traded in the unofficial regulated market (*Freiverkehr*) of the Hanover and Stuttgart stock exchanges. The shares of the Target constitute "equity securities" for the purposes of the definition of "take-over bid" in section 89(1) of the Act.
7. The Target is not a reporting issuer or equivalent in any of the Jurisdictions. The Target's securities are not listed or quoted for trading on any Canadian stock exchange or market.
8. The Filer currently holds approximately 55.29% of the shares in the capital of the Target. The Generali Group, including the Filer, currently holds (directly and indirectly) approximately 70.88% of the shares in the capital of the Target.
9. On March 6, 2006, the Filer announced its intention to make a voluntary public tender offer for the acquisition of the 15,631,629 Available Target Shares (being those shares in the capital of the Target that are not already held by the Filer and the other companies in the Generali Group), for cash consideration. The Filer intends to offer €8.00 per Available Target Share in cash (with a dividend right as of January 1, 2005), implying a total offer consideration of up to €1,531,899,642. The implementation of the Offer and the purchase and ownership transfer agreements resulting from acceptance of the Offer will be subject to the satisfaction of certain conditions that will be set out in the Offer Document.
10. The Offer is being made and the Offer Document reflecting the terms of the Offer is being prepared exclusively in accordance with the laws of the Federal Republic of Germany (in particular, in compliance with the German *Securities*

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Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz, WpÜG) and statutory regulations based on the WpÜG), and in accordance with the provisions of Regulation 14E of the U.S. *Securities Exchange Act of 1934* applicable to this Offer and applicable exemptions.

11. The Offer Document has been submitted for review to the applicable securities regulatory authority in Germany. It is expected that the Offer Document will be published and made available to the holders of the Available Target Shares immediately after approval by the German regulator, which is currently expected on or around March 28, 2006. In accordance with German law, the Offer Document (and an English convenience translation) will be available on the Internet at <http://www.generali.com> and a notification regarding the publication of the Offer Document will be published in a national German newspaper also specifying where and how the shareholders may obtain a copy of the Offer Document free of charge. For further details on the publication see paragraphs 13 and 14 below.
12. As permitted by German law, the Target has issued bearer securities and does not maintain a share register. Accordingly, any information about the Shares of the Target held by shareholders in Canada can only be determined on a limited enquiry basis. Pursuant to those inquiries, residency information was obtained in respect of 8.57% of the total outstanding shares in the capital of the Target (being approximately 30% of the Available Target Shares). Based on such enquiry, the Filer believes that as of February 24, 2006 there were five holders of shares in the capital of the Target resident in Canada, holding in total shares representing approximately 0.01% of the entire issued share capital of the Target. The Filer believes that at least one of these shareholders is located in each of British Columbia, Alberta, Manitoba, Ontario and Québec. As a result of the fact that the Target has issued bearer shares, the Filer is unable to determine conclusively where the holders of the Available Target Shares reside.
13. The Filer expects to publish the Offer Document on or around March 28, 2006, in accordance with section 14 para. 3 of the WpÜG. The German version of the Offer Document and its non-binding English convenience translation will be published on the internet at <http://www.generali.com>. In addition, an announcement regarding the publication of the German Offer Document will be published in the *Börsen-Zeitung* in Germany. Copies of the Offer Document and its English translation will be available free of charge at the financial print office, which is expected to be Bowne Frankfurt GmbH, Bettinastrasse 30, D-60325 Frankfurt am Main, Germany, and at the settlement agent, which is expected to be HSBC Trinkaus & Burkhardt, Königsallee 21/23, D-40212 Düsseldorf, Germany.

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14. An announcement of the publication of the Offer Document and the availability of its English translation will also be made in the U.S. edition of *The Wall Street Journal* in the United States of America, and will indicate the relevant email address and fax number for requesting the Offer Document.
15. The settlement agent will provide the Custodian Banks with copies of the Offer Document to be sent to their customers who are shareholders of the Target resident in Germany or the United States of America. While the Filer will also publish a non-binding English convenience translation of the Offer Document, the English translation has not been reviewed by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, BaFin), and the German Offer Document shall be the only binding offer document. Beyond that, as permitted under German law, the Filer does not expect to deliver any materials to the holders of the Available Target Shares in general (as the Target has issued bearer shares and does not maintain a share register or other record of the addresses of its shareholders). However, in the event that any material relating to the Offer is sent by the Filer generally to holders of the Available Target Shares in Germany, such material will also be sent to holders of Available Target Shares residing in the Jurisdictions (if addresses are known), along with an English translation for convenience purposes.
16. A public announcement in a national Canadian newspaper and in a French language newspaper widely distributed in Québec, made at the same time as the public announcement in the national German newspaper or as soon as practicable after issuance of this order, will specify where and how the shareholders may obtain a copy of the Offer Document or an English convenience translation free of charge. As soon as practicable after such date, the Filer will also file a copy of the Offer Document with the Decision Makers.
17. The *De Minimis* Exemption is not available to the Filer since the bid is not being made in compliance with the laws of a jurisdiction that is recognized by the Commission for this purpose under Recognition Order 62-904. Also, because the Target does not maintain a share register, the Filer is unable to determine conclusively the number of holders of the Available Target Shares resident in Ontario, or the number of Available Target Shares held by any such persons.
18. In accordance with German law (home jurisdiction of both the Filer and the Target), the Offer treats all shareholders (including Canadian holders) equally.

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Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met.

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that:

- (i) the Offer and all amendments to the Offer are made in compliance with the laws of the Federal Republic of Germany,
- (ii) any material relating to the Offer that is sent by the Filer generally to the holders of the Available Target Shares in Germany will be sent by the Filer to the holders of the Available Target Shares resident in the Jurisdictions (if addresses are known) together with an English convenience translation and copies thereof filed with the Decision Maker in each Jurisdiction, and
- (iii) the Filer makes a public announcement in a national Canadian newspaper and in a French newspaper that is widely circulated in Québec specifying where and how holders of the Available Target Shares in the Jurisdictions may obtain a copy of the Offer Document (or an English convenience translation) free of charge.

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Ontario Securities Commission

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